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December 5, 2003


Ms. Theresa Epps
California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 02-AFC-1

Dear Ms. Epps:

Enclosed for filing with the California Energy Commission are one original and 12 (Twelve) copies of the **Status Report and Proposed Schedule, for the Blythe Energy Project Phase II (02-AFC-1)**.

Sincerely,


Scott A. Galati
Counsel to
Caithness Blythe II, LLC

SAG/cp
Enclosures

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02-AFC-1

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STATE OF CALIFORNIA

Energy Resources
Conservation and Development Commission

In the Matter of:

Blythe Energy Project Phase II

DOCKET NO. 02-AFC-1

**CAITHNESS BLYTHE II, LLC
STATUS REPORT AND PROPOSED
SCHEDULE**

INTRODUCTION

Caithness Blythe II, LLC (CB II), the owner of the Blythe Energy Project Phase II (Blythe II) files this Status Report and Proposed Schedule in accordance with the Committee Order dated October 30, 2003. In that Order, the Committee directed the parties to review the Preliminary Staff Assessment (PSA) and outline for the Committee the following:

1. Any topics which are not addressed fully in the Preliminary Staff Assessment;
2. Any outstanding information requests;
3. The critical path topic or issue for purposes of completing the Final Staff Assessment;
4. Any federal actions or permits required for this project and their status;
5. The need for a Status Conference;

6. A proposed schedule for the remainder of the proceeding.

CB II has reviewed the PSA issued by the Staff on November 14, 2003 and disagrees with many of Staff's characterizations contained therein.

First and foremost, the Committee should recognize that Blythe II is nearly identical to the previously licensed Blythe Energy Project (Blythe I). Blythe II will be constructed adjacent to Blythe I on land that was previously disturbed and analyzed by the Commission Staff for approval of the Blythe I Petition for Amendment 1-B. CB II has repeatedly told the Staff that it can and will accept all applicable Conditions of Certification contained in the Blythe I license. CB II has acknowledged where circumstances differ from Blythe I, additional or different Conditions of Certification are warranted. However, Staff has approached Blythe II as if it bore no relation to Blythe I and none of the conditions or decisions reached in Blythe I are relevant to the analysis of Blythe II. It would be arbitrary and capricious for the Commission to issue two licenses for nearly identical, adjacent projects with substantially different Conditions of Certification. CB II has advocated that Staff's analysis should focus on identifying the applicability of the Blythe I Conditions of Certification to Blythe II and focusing the analysis on ***changed circumstances*** and on those areas that may result in cumulative impacts from both projects. Instead, Staff has taken an adversarial approach and has engaged in underground rulemaking resulting in additional regulation for the sole purpose of advancing its agenda. The Commission unanimously found that the Conditions of Certification for Blythe I ensured the project would not result in significant environmental impacts and will comply with all applicable laws, ordinances, regulations and standards (LORS). CB II should be entitled to rely on the Commission's work in Blythe I and substantial deviation is neither warranted nor within the statutory authority of the Commission. Staff has simply gone too far for the reasons itemized below.

Staff lists 35 items that it contends are either outstanding or unresolved issues. Staff contends that ***all*** of these items require resolution prior to issuing its Final

Staff Assessment. Of all of these items listed by Staff CB II believes only a few are required prior to issuance of the Final Staff Assessment.

The following presents CB II's analysis of each of Staff's assertions and identifies for the Committee critical path items to be considered for the scheduling order.

DISCUSSION

AIR QUALITY

1. FDOC is completed

Staff asserts the Final Staff Assessment (FSA) cannot be completed until the FDOC is issued. While some of the CB II team have participated in projects where the FDOC was entered into the record after the FSA, CB II concedes in this case the FDOC is critical path for preparation of the FSA.

2. Wind Erosion Plan is Submitted for Staff Evaluation

Staff asserts a wind erosion control plan for the Water Conservation Offset Program (WCOP) must be submitted to CEC prior to completion of the FSA and it shall have been reviewed and approved by the Federal Natural Resources Conservation Service (NRCS). To CB II's knowledge, no project before the Commission has ever been held up by Staff requiring such a plan. Blythe I implemented a WCOP by fallowing lands however, and was never required to submit such a plan.

Staff contends the WCOP would result in fugitive dust emissions from fallowing of farmland. What Staff does not point out in the data responses and in the AFC however, is CB II has proposed mitigation to reduce the potential for wind erosion to occur by imposing criteria on the individual farmer to employ soil retention measures. Additionally, at the request of Staff CB II submitted detailed calculations of soil loss several months ago in response to data requests, which indicated the fallowing program would ***actually reduce fugitive dust emissions compared to continued agricultural operations***. There are no Federal or

State requirements requiring a wind erosion plan, nor requiring NRCS approval. This item is not a critical path item for the FSA. If Staff disagrees with the analysis, or has performed its own analysis and developed different mitigation, it can suggest it in its FSA. This is a factual matter best left to the evidentiary hearing process and should not prevent publishing the FSA. CB II suspects the Staff is motivated not by air quality concerns, but by their agenda related to water discussed below.

BIOLOGICAL RESOURCES

3. Biological Assessment Deemed Complete

CB II agrees with Staff that the United States Fish and Wildlife Agency (USFWS) should accept the biological assessment for Blythe I as complete or inform CB II no biological assessment or opinion is necessary. CB II agrees this is critical path to issuing the FSA. The delay surrounding this issue is related to a City of Blythe (City) confirmation that there are no required “outside the fenceline” activities. CB II anticipates obtaining a letter from the City confirming that no “outside the fenceline” activities will be required for Blythe II and we further anticipate once this letter is obtained, the USFWS will confirm no additional biological opinion would be required for Blythe II.

4. Burrowing Owl Mitigation and Monitoring Plan

Staff asserts CB II must make a choice of assuming presence of burrowing owls or accepting a condition of certification that may delay construction until the proper breeding and winter surveys can be completed to show absence of burrowing owls. Blythe II will be constructed on a parcel of land adjacent to Blythe I. Biological clearance surveys were completed for the entire Blythe II site prior to fencing and grading activities approved by the CEC as part of the Blythe 1B Amendment. Over 200,000 cubic yards of fill material averaging 5 ft. of depth over the entire site was placed and compacted during the summer of 2003 in accordance with the CEC approved site grading and drainage plan. The area is completely fenced and approval from USFWS and the California

Department of Fish and Game (CDFG) and the Commission (Petition for Amendment 1-B) was obtained prior to fill placement. The entire ground surface of the site has been sprayed with an erosion control tack to minimize potential erosion from surface water runoff and wind. Prior to these site work activities, mitigation lands for the entire area had already been purchased and surrendered to CDFG. No additional mitigation for any biological effects should be required. This is not critical path for preparation of the FSA. If Staff believes an additional condition should be required, Staff can propose one in its FSA and the matter can be adjudicated at the evidentiary hearings.

CULTURAL RESOURCES

5. Native American Consultation

Staff asserts it must complete consultation with Native Americans to identify and evaluate resources that could be impacted by the project. Substantial Native American consultation has been completed for Blythe I and Blythe II over the last four and one-half years. This consultation involved face-to-face meetings with tribal leaders and Western representatives, several mailings, an ethnographic study, and investigation of claimed Native American sites. Staff is aware of all of these activities and even completed some of the contacts itself. We are not aware of an energy project site that has undergone more Native American consultation than the sites for Blythe I and Blythe II. No Native American cultural resources of historical significance were identified during the construction of Blythe 1. The Blythe II site has been cleared and grubbed and substantial amounts of fill have been placed on the site. No additional work will be completed for Blythe II outside the existing fence line. CB II will be providing a chronological summary of the Native American consultation activities, which have been performed to date with its comments on the PSA.

While CB II will continue to work closely with the Native American community to address any real concerns, this should not be deemed critical path for preparation of the FSA.

6. City Confirmation Relating to Outside the Fenceline Activities

CB II agrees with Staff that City confirmation will not require activities “outside the fenceline”, especially north of the project site, is a critical path for preparation of the FSA. CB II has committed to no activity near the CA-RIV-6370H cultural resource site and with the City’s confirmation it will not require road or drainage improvements near the cultural resource site, Staff will be able to conclude Blythe II’s strategy of complete avoidance will ensure there will be no impact to the cultural resources in the area.

LAND USE

7. Parcel Identification for WCOP

Staff asserts any permanent retirement of productive farmland by the WCOP must be mitigated to avoid impacts to agricultural lands and conflicts with Williamson Act contracts. Staff therefore requires identification of all parcels intended to be fallowed before Staff can prepare the FSA. This is exactly the same issue Staff raised in Blythe I. In the Blythe I proceedings, the Commission adopted Blythe I’s approach to adopt a condition requiring the fallowing program to be consistent with the terms of Williamson Act contracts and to avoid Agricultural Preserves. Parcel by parcel identification is simply not necessary with such a condition. In addition to committing to this condition for Blythe II, CB II agreed if permanent fallowing is to occur under the WCOP, CB II will purchase and set aside an equivalent amount of farmland in a farmland trust. In either case, there will be no land use impact. Staff continues to disagree with the Commission Decision in Blythe I and desires to re-litigate the same points over again. Staff has asserted in their discussions with local officials, the CEC made a mistake with licensing Blythe 1, and Staff will correct this mistake in licensing Blythe II. CB II believes Staff is raising this issue not due to land use concerns, but to bolster Staff’s arguments related to water resources. See the discussion below.

In either view, this is not critical path for preparation of the FSA, and it involves a difference of opinion that can be adjudicated at the evidentiary hearings, as was done for Blythe I.

8. Height Variance for City is Issued

CB II agrees Staff will need a recommendation from the City for a height variance in order to prepare the FSA. CB II is working to obtain such a letter and the Committee should consider this a critical path item for preparation of the FSA.

9. Airport Land Use Commission (ALUC) Override

CB II agrees Staff will need a formal override of the ALUC's erroneous determination that Blythe II is inconsistent with the County Land Use Plan. CB II is further out of the flight path of the airport runways than Blythe I. Blythe I received a consistency determination from the same body. The City has the authority to override the ALUC determination and has agreed to do so. The Committee should consider this critical path for preparation of the FSA.

SOCIOECONOMIC

10. Cropland Identification

Staff asserts it cannot determine the effect on the minority or low-income populations or impacts to farm labor, farm services and farm supply sector without an identification of the specific croplands to be fallowed. This is the same issue raised under Land Use. First, the Committee should note the WCOP proposes either permanent fallowing of a finite amount of land (786 acres) or rotationally fallowing of a finite amount of land (786 acres). The location of these acres will either be within the lands irrigated within the past five years on the Mesa, which consists primarily of orchards, or will be within the 104,500 acres irrigated within the past five years in the Palo Verde Valley. CB II has described to Staff in the Blythe I and Blythe II proceedings the orchards are not suitable for rotational fallowing and if orchard lands on the Mesa are selected they will be

permanently fallowed. Since Staff knows exactly how much land will either be permanently or rotationally fallowed, it can perform a reasonable “worst-case” analysis of the amount of agricultural jobs affected. This is not critical path for preparation of the FSA. Staff does not need specific lands identified to conduct its analysis.

TRAFFIC AND TRANSPORTATION

11. Cumulative Plume Analysis For Air Traffic

Staff asserts it cannot complete the FSA until it completes additional analysis of the impact of Blythe II on airport operations. CB II has never received a data request for this information and it is fundamentally a poor practice for Staff to raise it for the first time in the PSA. CB II understands there was a complaint filed relating to Blythe I’s cooling tower exhaust and we further understand Blythe I has, or is preparing an analysis to Staff to prove the claim was invalid.

Additionally we note the California DOT performed “flyovers” of Blythe I project this past summer with no impacts identified from Blythe I. Another “flyover” is planned for January 2004 during the winter months. CEC compliance Project Manager, Steve Munro can provide additional details to Staff on this matter.

Blythe II’s cooling tower is further away from the runway approach than Blythe I and Staff can qualitatively conclude the cooling tower exhaust from Blythe II will have even less potential interference with landing at the airport. The Committee should not consider this critical path for preparation of the FSA.

12. FAA Approval of Transmission Towers

Staff asserts CB II may need to apply to the FAA for an evaluation of transmission towers that may be taller than the HRSG stacks. The transmission towers proposed are entirely within the existing Blythe I and Blythe II fence line and will not exceed 120 feet in height. The HRSG stacks are 130 feet.

Therefore, no additional consultation is necessary. CB II has obtained a letter of concurrence from the FAA although it was not technically required. Staff has

never asked for this information in a data request. The Committee should not consider this critical path for preparation of the FSA.

13. Alternative Traffic Route than Hobsonway

Staff asserts it cannot complete the FSA without CB II designating a new traffic route that does not utilize Hobsonway. Staff asserts the City's new beautification project would prohibit oversize and overweight loads to use Hobsonway. The City is not aware of any such restriction on Hobsonway and has pledged to work with CB II to find the best route for the heavy haul. If Staff has a concern in this regard, they should have made a request from CB II to identify an alternative route or obtain suggestions for alternative routes from the City. CB II will identify a route approved by the City, but the Committee should not consider this critical path to preparation of the FSA. Staff can accept CB II's route or designate one of their own as they have done in numerous other FSAs.

TRANSMISSION SYSTEM ENGINEERING

To understand the issues raised by Staff regarding information needs for Transmission System Engineering, we have prepared the following attached white paper. That analysis demonstrates that Staff does not need any additional information to prepare its FSA.

WATER RESOURCES

24. Discharge Ponds

Staff asserts it cannot publish its FSA until corrected evaporation pond calculations are provided by CB II and also submitted to the Regional Water Quality Control Board. Once again, Staff disagrees with the calculations performed and approved for Blythe I by the Regional Water Quality Control Board, City and the Commission. CB II has responded to numerous Staff data requests on this subject, but Staff continues to believe the evaporation ponds are not appropriately sized.

Staff has noted a risk to soil and groundwater from pond leaks and overflows and has requested corrected pond calculations. CB II does not agree the submittal of any further pond calculations will have any impact on Staff's ability to evaluate the potential for leaks or overflows.

CB II provided the response to DR 208, which predicted monthly evaporation rates and monthly pond influent contributions, and in the response to DR 151 CB II has provided pond stage levels at 1 foot pond elevations. "Corrected" evaporation pond calculations as requested by Staff would be based on data found in these DR responses. If Staff believes either the evaporation rates or influent rates are erroneous, then Staff should state such.

CB II recognizes while the BEP II facility ponds have limits on operational capacity, the risk of evaporation pond overflow is easily managed by plant operational procedures. Evaporation pond level is readily observable and there is fundamentally only one source of influent to the ponds; this source can be secured to stop influent to the ponds. In the response to DR 206 CB II stated that were either pond to reach its maximum operating level with the other Blythe II pond not available, no further discharges to the operating pond would be allowed.

Obviously, this difference of opinion is not critical path for preparation of the FSA and should be decided by the Committee based on the competing testimony and expert opinions submitted at the evidentiary hearings.

25. Draft Waste Discharge Requirements

Staff asserts draft Waste Discharge Requirements (WDRs) are necessary prior to release of the FSA. CB II agrees WDRs are necessary, but disagrees Staff needs a full 60 days to analyze them. Such WDRs are routine and expected to be nearly identical to Blythe I. WDRs will include monitoring and pond maintenance procedures, but will not include actual discharge limits that

one would find in an NPDES permit for example. The evaporation ponds will prevent discharge, not cause a discharge. Therefore, Staff need only defer to the expertise of the Regional Water Quality Control Board that the evaporation ponds will not pose a threat of release to surface water or groundwater. This is the approach taken in Blythe I. While CB II concedes this item is critical path for preparation of the FSA, 60 days is an unreasonable timeline for Staff review.

26. Auxiliary Firing

Staff asserts it needs revised water balances and heat balances reflecting auxiliary firing. CB II has already responded to such data requests. Staff fails to recognize the auxiliary firing capability for Blythe II (and Blythe I) is limited by the design capability of the steam turbine. Combined Cycle power plants inherently produce less output during higher ambient temperatures. Blythe II has incorporated a small amount of duct firing (approximately 15 MW) to maximize the output of the steam turbine on hot summer days. With inlet chilling in operation, there is little if any capability for duct firing. Since Staff is in agreement with CB II that the maximum annual amount of water reasonably required to operate the project using evaporative cooling is approximately 3300 acre feet per year, it makes no sense to debate “precisely” how the water is used within the plant.

Also, since CB II has agreed to accept a condition with a cap on the maximum water that it will use, Staff should evaluate whether the maximum annual use results in impacts. Staff has, and can continue to conduct a reasonable worst-case analysis based on the maximum water use. The reasonableness of Staff’s and CB II’s methodology for analyzing the impacts associated with the maximum water use can be evaluated during the evidentiary hearings. This is not critical path for preparation of the FSA.

27. Inlet Cooling

Staff asserts it cannot complete its FSA unless the heat and water balances are revised to reflect the type of inlet cooling that will be used at the plant. As indicated in Item 26 above, CB II has provided calculations, which indicate maximum water usage with either evaporative cooling or inlet chilling methods of inlet cooling are implemented. This is described in the AFC Supplement dated of July 2003, which added the alternative for cooling of the inlet air by chilled water; chilled water being produced by a mechanical chiller system using ammonia or R-123 as the refrigerant. Since Staff is in agreement with CB II that the maximum annual amount of water reasonably required to operate the project is approximately 3300 acre feet per year, it makes no sense to continue to debate “precisely” how the water is used within the plant.

Also, since CB II has agreed to accept a condition with a cap on the maximum water that it will use, Staff should evaluate whether this maximum annual use results in impacts. CB II does not consider this be critical path for Staff to prepare the FSA.

28. Stormwater

Staff asserts it cannot complete the FSA until revised design calculations for the stormwater retention basin are provided. Staff asserts that the retention basin is undersized. This issue was completely resolved during the compliance proceedings for Blythe I. When Petition for Amendment 1-B was approved, the retention basin was sized to accommodate the stormwater runoff from the 76 acres utilized for Blythe I and the additional 76 acres to be used for placement of fill and Blythe II. The design was prepared by the Blythe Energy contractor, reviewed again by the City, and approved by plan checkers to be in accordance with all LORS. The CEC then allowed it to be constructed. Once again, this is not critical path for preparation of the FSA but rather Staff’s assertion the retention basin is undersized. CB II responded to a Data Request from staff on this issue. CB II reviewed the stormwater drainage analysis as requested by Staff with the original author, obtained input from the City Engineer and Blythe I

CBO who authorized and approved the plan. CB II is ready to adjudicate this issue in evidentiary hearings. No additional information is required. If Staff is certain that the pond is undersized through its own calculation, it should be required to lay its foundation and memorialize its opinion in the FSA. This is not a reason to delay this proceeding any further.

29. Emergency Spillway

Staff further asserts the retention basin requires an emergency spillway. This issue is identical to Item 28 and is not critical path for preparation of the FSA. Staff's comments on this issue reflect a complete lack of understanding of stormwater drainage criteria and the hydraulics surrounding the original design of the stormwater retention basin. The design of this basin was completed by a registered Professional Engineer in the State of California, approved by the City, approved by the CEC, and ultimately approved by the Resident Engineer and Chief Building Official (CBO) for the Blythe I project. CB II contends Staff is unjustly creating issues to delay the project and promote its overall agenda related to water supply issues discussed below.

30. Cooling Technology

Staff asserts Blythe II will cause significant impacts to the regional water supply and its users, will not conform to applicable LORS, and therefore Staff has recommended dry cooling. This exact issue was hotly contested in the Blythe I proceedings and the Commission, led by the Presiding Member of this Committee, ruled Staff's arguments were without merit. Blythe II proposes exactly the same source of water and again commits to a voluntary Water Conservation Offset Plan. There are no LORS applicable to the use of the groundwater proposed for Blythe II. The WCOP was developed in order to provide protection from **some future policy** that **may be implemented** by the U.S. Bureau of Reclamation (Bureau), **which might account** for use of this groundwater as if it were Colorado River water. No such policy now exists, even in draft form, and the Bureau has never consulted with the State regarding its

intent to declare millions of acre-feet of California groundwater to be federal surface water.

CB II has responded to this exact issue repeatedly with staff in data request responses and workshops, and we have consistently explained that the Blythe II project relies upon California groundwater and will not use surface water from the Colorado River or any other source. It is inconceivable to this CB II, why Staff would reopen and attempt to re-litigate this very same issue once again. Clearly Staff is not motivated by its regulatory responsibility to provide a fair and impartial unbiased analysis but instead, by Staff's own agenda.

CB II cannot understand how this Commission can reject all of Staff's arguments and grant a license to Blythe I allowing the use of groundwater and then grant a license to an adjacent identical project (Blythe II) rejecting the same source of water for use as cooling. This would clearly be arbitrary and capricious, unless there were substantial changed circumstances that mandated such an inconsistent result. Staff asserts the changed circumstance is the reduction of the Colorado River surface water allocation to California by the Bureau of Reclamation. While such a surface water reduction has occurred, no legitimate policy to regulate groundwater nine miles from the Colorado River has occurred, nor is it expected to occur in the near future. Staff further asserts the downstream users will be negatively impacted if Blythe II is approved. This assertion fails to acknowledge the Bureau, in consultation with the Metropolitan Water District (the largest downstream user) approved the Blythe II project WCOP exactly as developed by CB II.

Staff is also using data as it may conveniently suit their argument of the hour. On the one hand, Staff asserts that the water may impact use of Colorado River Water to downstream water users. This reflects a position that Blythe II is pumping Colorado River Water and there is a direct connection between the Site pumping and Colorado River surface water, specifically as it flows in return drains in the Palo Verde Valley. On the other hand, staff asserts that groundwater pumping at Blythe II may have long-term drawdown impacts to

surrounding wells. If such a direct connection existed to Colorado River surface water, groundwater withdrawals would be re-charged on a real time basis.

Staff has conveniently failed to consider applicable California water law pertaining to groundwater, and has suggested conclusions that would pretend to establish radically new water policy for the State of California. Staff asserts that since excess applied irrigation water is a source of recharge to the regional aquifer, the regional aquifer is actually surface water! All groundwater basins throughout the State are recharged from surface water systems. To accept Staff's assertions would imply for example that all groundwater in the Sacramento and San Joaquin valleys, recharged over time by the Sacramento and San Joaquin rivers and their tributaries (as well as overlying agricultural water users), should be regulated as surface water. California water law recognizes water in underground aquifers as distinct from surface water systems regardless of their recharge connection, with the exception of intentional recharge for the purposes of temporary storage. Other rare exceptions apply to limited underground streams with well definable bed and banks. Neither case applies to the Palo Verde Valley or to an aquifer system extending many miles from the active surface river channel.

We do not believe that staff is ignorant of the law, or their complete failure to even acknowledge California water law as it pertains to groundwater in the PSA LORS assessment was unintentional. Rather, it reflects their attempt to promote an agenda regarding water use for power plant cooling that the Commission explicitly rejected in the Blythe I case.

Staff should be prevented from further delaying this project in order to re-litigate the issues resolved for Blythe I. We urge the Committee to adopt a scoping order to curb Staff's inappropriate and adversarial approach to its analysis of water use by Blythe II.

31. Blythe Lemon Ranch Gasoline Tank Leak

Staff asserts it needs information from Blythe I in order to analyze the effect of the Blythe Lemon Ranch gasoline leak. Staff has never requested any information from CB II concerning this issue. The PSA is the first time this issue has been raised. The Commission should recognize there are no residential wells between the Blythe Lemon Ranch property and Blythe II's proposed wells. Therefore, even if migration of that plume were to occur, no residential wells will be affected. With respect to use of the water at the Blythe II site for potable uses, Blythe II will not utilize the groundwater as potable water without treating it to the levels required by LORS. Blythe I had a condition of certification imposing a requirement to test the production well water quality. As described in the Blythe II AFC, CB II accepts a similar condition. The Committee should not consider this critical path for preparation of the FSA since any potential impact can be resolved with a condition of certification. Additionally, the Committee should recognize neither Blythe I nor Blythe II is legally responsible for the gasoline leak. Additionally, CB II believes the Commission Compliance Unit should already have a report from Blythe I for 2002.

32. Voluntary Water Conservation Offset Program (WCOP)

Staff asserts the WCOP is deficient. Staff made exactly the same arguments in Blythe I proceedings. Staff, although corrected numerous times, again mischaracterizes the WCOP as a necessary component to mitigate each drop of water to be used for Blythe II. No impact from the use of groundwater has been identified that would require such a "drop-for-drop" mitigation approach. Please see the discussion and request for scoping order for Item 30 pertaining to groundwater. We also note that staff's position ignores conclusions reached by the Bureau of Reclamation confirming suitability of the Water Conservation Offset Program (WCOP) voluntarily developed by Blythe II for the project. That letter, from Regional Director Robert Johnson, with a full copy of the Final Voluntary WCOP attached, has been docketed and made a formal part of the record. The letter confirms Reclamation's position that the Water Conservation Offset

Program voluntarily developed by Blythe II addresses Reclamation's objectives for selection and management of lands to account for water use, and prevent increased Colorado River water demands in the Lower Basin. With voluntary implementation of the Final WCOP the Bureau concludes the CB II project will have no impacts under its potential future accounting surface policy on the Colorado River system or on junior water rights holders within that system.

This difference of opinion should be adjudicated in evidentiary hearings.

33. Responses to Unanswered Data Requests

Staff asserts CB II has not responded to Data Requests, but has not sought a motion to compel. Instead, Staff uses its power to delay the proceedings by failing to produce its documents on time. No additional information should be required for preparation of the FSA.

WORKER SAFETY AND FIRE PROTECTION

34. Fire Needs Assessment

Staff asserts it needs a Fire Needs Assessment completed prior to preparing the FSA. In the Blythe I proceeding, the Commission approved a condition of certification requiring the Fire Needs Assessment to be performed and an agreement between the City and the project owner submitted ***prior to the start of construction***. Blythe II should be treated the same as Blythe I and this should not be considered to be critical path for preparation of the FSA.

ENVIRONMENTAL JUSTICE

35. WCOP Details

This item is identical to items 7 and 10 discussed above and for the reasons discussed should not be considered by the Committee to be critical path for preparation of the FSA.

CONCLUSION

The PSA was originally scheduled to be issued by CEC Staff in mid July 2003. The PSA schedule was then shifted by Staff to be issued in mid September 2003 due to unresolved transmission system engineering issues. As late as the middle of September, Staff assured CB II the PSA would be issued by the end of the month. On September 29, 2003, Staff told CB II the FSA would not be issued by the end of September. Staff explained that management had requested additional work be performed in the topic area of water and soils. Staff again contacted CB II the next day and estimated the FSA would be issued within a couple of weeks. In mid October, Staff informed CB II the PSA would again be delayed but told CB II management would assure its issuance on November 14, 2003. CB II subsequently learned management was unwilling to commit to this date. After several conversations with Staff, it was determined even the November 14 date may not be met. It was not until CB II communicated it would file a motion for scheduling order the Commission directed Staff to issue the PSA on November 14, 2003, some 4 months after the originally scheduled date.

Since there appears to be major disagreements between CB II and Staff regarding the scope of Staff's review and the characterization of the necessary information and critical path items necessary for preparation of the FSA, CB II hereby requests a scheduling conference. Attached is our proposed schedule, which identifies the critical path items necessary for Staff to prepare the FSA. CB II urges the Committee to issue a scoping order directing Staff to begin with the Blythe I license as a template and to propose only those modifications warranted by actual changes in the environment or regulatory framework since the licensing of Blythe I.

For these reasons, we are forced to request that the Committee order Staff to prepare the FSA on a date certain consistent with the proposed schedule.

Dated, December 5, 2003

Scott A. Galati
Galati & Blek, LLP
Counsel to Caithness Blythe II, LLC

PROPOSED SCHEDULE

The following items should be considered critical path to preparation of the FSA:

- Final Determination of Compliance (FDOC)
- USFWS Notification that Biological Assessment is Complete or Not Required
- City of Blythe Confirmation that it will not require “outside the fenceline” construction activities
- City of Blythe recommendation for height variance
- City of Blythe override of Airport Land Use Commission
- Regional Water Quality Control Board issuance of Draft Waste Discharge Requirements (WDRs)

Action		Date
CEC Staff issues Final Staff Assessment		N* + 30 days
Parties File Testimony		N + 45 days
Parties File Rebuttal Testimony		N + 50 days
Evidentiary Hearings		N + 60 days

*N = the date Applicant submits the last of the critical path items itemized above.

TRANSMISSION SYSTEM ENGINEERING

I. Overview

Applicant's principal concerns regarding schedule arise from the Staff positions regarding transmission system engineering in the Preliminary Staff Assessment ("PSA"). There the Staff asserts that it cannot produce a Final Staff Assessment ("FSA") until it receives a wide variety of additional information including, but not limited to, separate transmission system impact studies ("SIS") from each of the following entities: 1) the Western Area Power Administration ("Western"); 2) the Southern California Edison Company ("Edison"); and 3) the Imperial Irrigation District ("IID").¹ Moreover, the Staff also asserts that it must have an evaluation of these three SIS reports from the California Independent System Operator ("CAISO").² In addition, in the PSA Staff also calls for certain information that Applicant has already substantially provided.

Applicant believes that the information Staff requires in the PSA that has not already been provided will cause further significant delays in this proceeding and is not necessary for certification. Such is particularly the case for the multiple system impact studies described above. Recognizing the unique nature of this Project location with regard to transmission³, the Applicant has already produced an analysis of transmission system impacts prepared at the direction of the Staff jointly by all potentially-affected entities. This study is the Blythe Area Regional Transmission Study ("BART Study"). It was done expressly to satisfy the Commission's information needs in this proceeding and at Staff's direction. Together with other information that has been provided to Staff, the BART Study provides transmission impact information that is sufficient to meet all the Commission's requirements and which exceeds the information that the Commission relied upon in certifying the Blythe I Project. In addition, Staff also seeks other information as discussed below that Applicant believes is not required for certification. Accordingly, Applicant asks that the Committee rule upon the need for the additional information sought by Staff in the PSA as part of its setting of a schedule for the remainder of this proceeding.

II. Applicant Has Provided Appropriate System Impact Information to Staff Already in This Proceeding.

Applicant has already provided to Staff information regarding the transmission system impacts of interconnecting the Blythe II Project that is sufficient for Staff to produce its FSA. In its initial Application for Certification ("AFC") filing, Applicant provided all the transmission system impact information required by the Commission's regulations for

¹ PSA, pp. 5.5-1, 5.5-18 and 5.5-19.

² PSA, pp. 5.5-1 and 5.5-19.

³ Unlike most projects brought before the Commission, the Blythe location lies at the boundary of several systems and also involves a region where several other generation and transmission projects have been proposed that affect any transmission analysis. It is for this reason that all the parties agreed to jointly prepare the BART Study.

timely completion of the one-year AFC process. Both the Staff and the Commission concurred with this fact in finding the application data adequate on July 17, 2002.

Following the finding of data adequacy, Applicant worked with Staff and all other potentially affected transmission owners to produce the BART Study. Recognizing that the Blythe II Project lies at the boundary of several different transmission systems, Applicant, Staff and the various interested transmission owners cooperated in preparing this single, jointly-prepared study specifically intended to address the information needs of the Commission in this proceeding. The study was prepared by a third party contractor under the direction of a technical study group. The technical study group included the principal stakeholder utilities (IID, Edison and Western), the CAISO, the Applicant and the Staff.

The Staff was fully aware of this study from its outset and participated actively in its design. In September of 2002, over 20 people representing the Staff as well as various utilities and the CAISO were sent a Draft Study Work Plan for a single system impact study prepared by KR Saline & Associates. On September 16, 2002, a workshop was held to review the Draft Study Work Plan. Staff was represented at the workshop by Al McCuen, Bill Pfanner, Lisa DeCarlo, Esq., and Ajoy Guha. Based upon the input at the workshop, a final study work plan was published on September 17, 2002 for final review and comment.

The purpose of the Study was expressly stated in the Final Study Work Plan document:

"This purpose of this Study is to analyze the Blythe area regional transmission (BART) system including feasibility of selected transmission options to support the interconnection of the 520 MW Blythe Energy Project Phase II (BEP II). This regional analysis includes the review of: Western Area Power Administration (Western); Imperial Irrigation District (IID); and Southern California Edison (SCE) transmission systems."

"The basic concept of this analysis is to review the various transmission options with and without the Blythe Energy Project Phase 2 (BEP2), and determine the impacts on the Blythe regional interconnected transmission system. The Study Group will also select critical sensitivities that will represent more extreme conditions as part of the final analysis."

A subsequent conference call was held on September 26, 2002, and each week until the first Draft BART Study Report was produced on November 2, 2002. This Draft was followed by several revisions to incorporate comments from the study group members. Revision 2 was produced for comment at the end of January, 2003, and Revision 3 was produced for comment in February, 2003. Final Reports with Executive Summaries were produced in March, April and July of 2003. Finally, on August 14, 2003, Applicant provided to Staff a version of the BART Study limited to the specific configuration for which it seeks a permit in this application proceeding.

In summary, based upon the input from all interested parties, including specifically the Staff, the various potentially-affected transmission owners prepared this joint study of the impacts of interconnecting the Blythe II Project in several different ways. The Report includes specific power flow studies under a variety of conditions consistent with commonly-accepted engineering principles and applicable reliability standards agreed upon in the Study design. The Report summarizes its conclusions as follows:

“Based on this power flow analysis, the addition of the BLYTHE II with any of the Transmission Options described in this report can be interconnected to the transmission system, with some mitigation of the existing system.”⁴

None of the interested transmission owners disagreed with this conclusion.

Throughout this extended effort, the participants understood that the purpose of the study was to complete a comprehensive utility load flow planning study that could be used by the CEC (and perhaps others) to assess the impact of connecting Blythe II to the grid. Specifically, Applicant and the participating utilities understood the following key points regarding this study:

- The CAISO, stakeholder utilities and the Staff would use the BART study as a basis for comments to the CEC on potential impacts of interconnecting BEP II to the grid.
- The BART study would replace the CEC need for system impact studies produced by the individual utilities. Drawing parallels to Blythe I, the BART study would replace the Western system impact study that was used by the CEC for licensing Blythe I.
- This study was not to replace system impact studies that would be completed by individual utilities for compliance with their individual FERC tariffs. In fact, the utilities made it clear that they would run their own system impact studies. As in Blythe I, many of these studies would be completed post BEP II licensing. As in Blythe I, many of the improvements that may result from detailed operational and SIS studies are "inside the fence" and are not normally a concern of the CEC.

III. There is No Need for Multiple New System Impact Studies

- a. Staff's Assertion that the BART Study is Incomplete and Preliminary for Commission Purposes is Incorrect.

Despite Staff's participation in the BART Study design and its understanding that this Study was being prepared explicitly to satisfy Staff requirements, Staff now argues in the PSA that it is insufficient. Staff asserts:

⁴ *Id.*

“The current System Impact Study (SIS), considered as a screening and feasibility study, is incomplete and the study results are preliminary. As such the SIS does not comply with NERC/WECC, NERC and Cal-ISO standards. It will, therefore, be necessary for the applicant to submit a new SIS that would include a Power Flow study under 2006 summer peak and 2006 spring conditions, a Transient Stability study and a Short Circuit study and to address staff’s concerns as stated in this staff assessment.”⁵

Applicant does not agree that the BART Study results are “incomplete” or “preliminary” for the purposes of the report, namely, to satisfy Commission licensing requirements.⁶ Indeed, as discussed further below, the BART Study provides information that meets or exceeds that relied upon by the Commission in the Blythe I Project. Applicant believes Staff’s concern arises from three issues. First, the BART Study does not supplant the separate system impact studies that each affected utility will do pursuant to their own individual requirements at a later date. Second, the BART Study does not include (and was never intended to include) transient stability or short circuit analyses. Third, Staff apparently does not concur with some of the assumptions and results of the BART Study.

As to the first issue, the very point of doing the BART Study was to coordinate the otherwise separate and different studies that would be performed by Edison, IID and Western. While each entity must ultimately do its own separate SIS to comply with its own tariffs, the BART study is more useful to the Commission for licensing than these separate studies using potentially differing assumptions. Indeed, the problem of reconciling the various studies is implicitly recognized in Staff’s PSA requirement that the CAISO provide an “evaluation” of the three separate studies after they are prepared. By agreeing upon a common set of assumptions in a joint study, the parties have provided the Staff and the Commission with detailed power flow studies that reconcile the concerns of all affected utilities and avoid otherwise difficult issues of reconciliation of their separate studies.

Thus, while the BART Study does not supplant the individual studies of each entity (largely for tariff compliance reasons), it does provide the Commission with detailed power flow analyses leading to a *consensus* opinion regarding what upgrades are needed to reliably and safely interconnect the Blythe II Project to the grid. The Commission has all the information it needs to assure both reliable interconnection and to consider the environmental impacts of needed transmission upgrades. Therefore, while the BART Study may be labeled “preliminary” for purposes of detailed engineering or tariff compliance, all the utilities involved in its preparation agree that it is final for its intended

⁵ PSA at p. 5.5-1.

⁶ In the PSA, Staff suggests that the Applicant has agreed in data responses to a “new” system impact study. (“The applicant responded that the analysis would be submitted with the new System Impact study prior to the final staff assessment.” PSA at pp. 5.5-11 and 5.5-12). The “new” study referred to in Applicant’s response, however, was simply the revision to the BART study provided to Staff on August 14, 2003. Applicant has never agreed that any “new” system impact study beyond the BART study is necessary, much less three separate new ones by each of IID, Western and Edison with an evaluation by the CAISO.

purpose and provides sufficient trustworthy information for the Commission's licensing requirements.

As to the transient stability and short-circuit analyses, Applicant agrees that these analyses must be performed prior to construction and operation. However, given the significant information developed in the BART Study and other sources, Applicant does not understand why this cannot be handled as a post-certification requirement enforced by appropriate conditions of certification. As discussed below, that is essentially how the Commission handled similar issues in Blythe I decision. In that case, Western, Edison and IID each performed certain detailed operational studies post-licensing. A similar procedure is appropriate here because: 1) the BART Study is sufficient to identify necessary upgrades with potential environmental impacts; 2) the BART Study is sufficient to support a finding that the Blythe II Project can be safely and reliably interconnected to the grid; and 3) the transient stability and short-circuit analyses are only needed to support the detailed engineering and final design requirements for these upgrades. It is highly unlikely that these studies will identify any upgrades with potentially significant environmental impacts not already identified in the BART Study and reviewed as part of the DSTP EIS/EIR.⁷

Applicant believes that Staff's real concern is the third issue: that Staff does not entirely agree with all of the BART Study assumptions and results. While the Applicant will continue to work toward achieving agreement with the Staff, the lack of agreement does not suggest a lack of sufficient information needed to prepare the FSA. The information in the BART Study is complete and fully adequate for that purpose.

Indeed, the adequacy of the information in the BART Study to identify impacts and mitigation measures is demonstrated by Staff's PSA itself, wherein the Staff describes in detail the impacts of interconnecting the Project under normal (N-0), single contingency (N-1) and double contingency (N-2) scenarios.⁸ The PSA also discusses the specific mitigation measures identified for the various impacts.⁹ Read closely, it is apparent that Staff's basis for finding the BART Study "preliminary" and "incomplete" is not that it lacks necessary information, but rather that Staff disagrees with some of the assumptions and conclusions.

⁷ For the reasons set forth above, Applicant believes that the Committee should rule that the transient stability and short circuit analyses are not needed prior to the FSA and can be dealt with as post-certification requirements pursuant to appropriate conditions of certification. However, should the Committee disagree and conclude that these analyses are needed prior to the FSA, then the most it should require is that such analyses be conducted solely by Western as the entity to which Blythe II will interconnect, recognizing that other entities are free to comment on such studies directly to Western or the Commission thereafter. This is the procedure that was followed in Blythe I. In this scenario, the Committee should rule that the BART Study is sufficient for all purposes other than the transient stability and short circuit analyses and that the FSA is due no later than 30 days following the submission of such analyses by Western.

⁸ See PSA at pp. 5.5-8 through 5.5-11.

⁹ *Id.*

Indeed, Staff acknowledges this fact in the PSA section entitled “Comments on the Current SIS and Requirements for the New SIS.”¹⁰ There Staff claims to have found “modeling discrepancies” that “result in a failure to identify realistic adverse impacts under normal and contingency conditions in the affected systems.”¹¹ Applicant notes that the BART Study represents the concurrence of several entities with considerable expertise in assessing transmission impacts and a direct stake in the results, including Western, IID, Edison, the CAISO as well as the Applicant. Thus, the Applicant does not agree that these “modeling discrepancies” are significant or even exist.¹² Of course, this does not mean that Staff is bound to accept such results or that Staff cannot present alternative opinions to the Commission. However, that is a matter for resolution at hearing and not a matter of sufficiency of the data. Said differently, Applicant’s obligation is to present an assessment of these impacts and appropriate mitigation measures, but not necessarily to present testimony with which Staff concurs. By presenting the BART Study, Applicant has given Staff a legitimate and credible assessment that addresses through detailed power flow analyses all system impacts and appropriate mitigation measures. Staff can prepare an FSA based on this information or any other information, including its own power flow studies using alternative assumptions that it prefers. But it is not appropriate that Staff refuse to produce an FSA until the Applicant presents an analysis with which Staff agrees.

b. Staff’s PSA Requirements Are Not Consistent with the Information Required by the Commission for the Licensing of Blythe I.

Blythe II is connecting at the same location in the grid as Blythe I. No other major transmission improvements have been constructed since the Blythe I system improvements in the Blythe area. Nonetheless, Staff’s proposed requirements in the PSA for reviewing the Blythe II application substantially exceed the information found sufficient by the Commission in Blythe I. Specifically, notwithstanding the identical location and similar Project size, in Blythe I the Commission did not demand three separate system impact studies plus an evaluation by the CAISO as Staff proposes here. Rather, in Blythe I, Western provided a system impact study to the Commission representing only its individual evaluation. The Commission did not have the CAISO review the study. Edison and IID commented to the Commission regarding the Western SIS Study, and provided additional mitigation that was incorporated by the Commission into the license. As a condition of licensing, Western completed operational studies for Blythe I post-certification as did Edison and IID.

¹⁰ PSA at pp. 5.5-12 to 5.5-14.

¹¹ PSA at pp. 5.5-12 and 5.5-13.

¹² Staff contends that the BART Study did not adequately model the transmission facilities accurately to identify all of the potential overloads on the interconnected system. The Applicant contends that the assumptions in the BART Study are a close approximation that examined multiple interconnection options and potential impacts. For the selected 500kV option, the Applicant believes that BART Study does address all of the thermal and voltage impacts and selected mitigation for critical contingencies to meet WECC Reliability Criteria. Most importantly, Applicant does not believe that the difference between Staff and Applicant’s modeling assumptions results in any difference in the ultimate mitigation of impacts.

In this case, the BART Study represents a greater degree of information than the Commission received in Blythe I in that the study represents the joint consensus of all interested transmission owners and not just Western. Applicant sees no reason why the BART Study cannot substitute for the Western-only SIS relied upon in Blythe I, with similar post-licensing requirements for completion of the remaining operational studies (including transient stability and short-circuit analyses).

IV. The EIS/EIR for the Desert Southwest Transmission Project Is More Than Sufficient for Staff's Legitimate Need for Information Regarding This Separate Project.

The Applicant is also concerned by Staff's demands for additional information regarding the facilities downstream of the point of interconnection. These demands include the following:

- "For any new or modified downstream facilities, including reconductoring outside the substation fence line, environmental impact information is required."
- "A copy of the "request to terminate the proposed new 500 kV line" by IID to SCE and Western, and the associated work plan and schedules for completing the SIS and/or FS."
- "Evidence that the CEQA/NEPA reviews have made adequate progress to ensure that the construction of the 500 kV line and its schedule have been finalized by IID, that the 500 kV line has been approved for termination by SCE and Western, and that a schedule for building any other new or modified downstream facilities necessary to comply with reliability criteria have been finalized."¹³

This information is not required for certification because it addresses facilities over which the Commission has no licensing or CEQA jurisdiction. Moreover, to the extent the Staff desires information regarding the environmental impacts or schedule for these downstream facilities, such information has already been provided by the Applicant in the form of a detailed Draft EIS/EIR for them. Accordingly, Applicant sees no need for the provision of any further information prior to publication of the FSA. Each of these points will be discussed further below.

The Blythe II Project proposes to interconnect at Western's Buck Substation approximately 2000 feet from the site. The Commission's licensing jurisdiction extends only to this first point of interconnection.¹⁴ Applicant is not proposing that the Commission license any facilities downstream of this point. Rather, power from the Project will be delivered from the Buck Substation to load centers using the Desert Southwest Transmission Project ("DSTP"), a new 118 mile 230 or 500 kV transmission

¹³ PSA at pp. 5.5-19, Nos. 4, 8 and 9.

¹⁴ Public Resources Code Section 25107; *California Public Utilities Commission v. California Energy Resources Conservation and Development Commission* (App. 1 Dist. 1984) 197 Cal.Rptr. 866, 150 Cal.App.3d 437.

line proposed by IID and terminating at Edison's Devers substation. The BART Study fully analyzes this configuration.

The DSTP is a separate project from Blythe II and as such is undergoing a separate licensing and environmental review. While the DSTP will accommodate Blythe II, it is proposed to serve a variety of other regional needs as well.¹⁵ The Blythe II Project is not the cause of the DSTP and the DSTP is proposed to go forward with or without Blythe II.

While the Commission's jurisdiction under CEQA extends beyond its permitting jurisdiction to ensure that downstream environmental impacts of the proposed power plant are evaluated, it does not permit the Commission to claim jurisdiction over entirely separate transmission projects not directly caused by the proposed power plant. While Staff is free to comment on the environmental assessments of the DSTP being conducted by other agencies, it cannot conduct a separate environmental analysis of the DSTP in this proceeding. Even if the environmental impacts of the DSTP were relevant to this proceeding (which they are not), CEQA requires that the Commission rely upon the analysis of the lead agency for that project rather than conducting its own separate environmental review in the context of this proceeding.¹⁶ The environmental impacts of the DSTP are entirely separate from those of Blythe II and are of no relevance to this proceeding.

Nonetheless, Applicant has provided very detailed environmental information regarding the DSTP to the Staff in the form of the Draft EIS/EIR for this project. That voluminous document describes all potential impacts in detail. Given that impacts are not relevant in the first place, the provision of this information is more than sufficient to address to Staff's legitimate need—if any exists—for environmental information regarding this project. The Committee should rule that this information satisfies Staff's demand for environmental information regarding proposed "new or modified downstream facilities."¹⁷

¹⁵ As set forth in the DEIS/DEIR, the objectives of the DSTP are as follows:

"The basic objectives of the Proposed Project are to:

Objective 1: Ensure access to competitive generation sources that will allow IID to minimize the market price spikes, which adversely effect the region's customers.

Objective 2: Provide improved transmission access to new generation sources (e.g., the Griffith Energy Project, the South Point Energy Project, and the Blythe Energy Project) to meet the increased demands for electrical power in IID's service area and to respond to transmission service and interconnect requests.

Objective 3: Enhance system reliability by providing additional transmission line capacity to the Coachella Valley load center and, thus, reduce loading on other transmission lines.

Objective 4: Improve operational flexibility during normal as well as contingency situations."

¹⁶ Public Resources Code sections 21165 and 21080.1.

¹⁷ To the extent the phrase "new or modified downstream facilities" is meant to refer to downstream facilities that are caused by Blythe II (i.e. facilities other than the DSTP), Applicant knows of no such facilities.

Staff's other concerns regarding the DSTP relate to information concerning the schedule for, and progress of, this transmission project. Staff's concern appears to be ensuring that Blythe II will not commence operation before the DSTP in a manner inconsistent with the assumptions in the system impact studies. That is a legitimate concern. But this concern does not require the information demanded by Staff in the PSA as set forth above. Rather, Staff can address this concern in two ways based upon the information it already has in hand.

First, Staff can easily establish by review of the DEIS/DEIR already provided that the DSTP is proposed to be in operation by Summer 2006. This is consistent with the assumptions in the BART Study.

Second, to the extent that Staff is concerned regarding future changes in the DSTP schedule, Staff can propose a licensing condition that would prevent operation of the Blythe II Project unless the DSTP has begun operation. Applicant has no objection to the concept of such a condition, provided it is appropriately drafted.

With this proposed condition of certification and the information already provided by the Applicant regarding the DSTP schedule, the Staff and the Commission can fully address any concerns that the DSTP will not be in place in time to accept generation from Blythe II. Thus, there is no need for the additional information regarding the DSTP sought by Staff in the PSA.

V. The Committee should reject and/or modify the Staff's proposed requirements for additional information in the PSA.

For the reasons set forth above, the Committee should require Staff to produce an FSA without requiring the information that Staff demands in the PSA. Specifically, the Committee should make the following findings with regard to the nine paragraphs of information requirements set forth at pp. 5.5-18 and 5.5-19 of the PSA:

- With regard to those portions of paragraphs 1 through 3 calling for new system impact studies separately from Edison, Western and IID, the Committee should find that the BART Study is a sufficient system impact study for preparation of the FSA and no additional studies are necessary;
- With regard to those portions of paragraphs 1 through 3 calling for transient stability and short circuit analyses separately from each of Edison, Western and IID, the Committee should find that these analyses are not needed for the FSA and should be required to be done post-certification pursuant to appropriate conditions of certification;¹⁸

¹⁸ As discussed in footnote No. 7, above, if the Committee believes that these analyses are necessary for the FSA then it should require production of the FSA no later than 30 days following submission of transient stability and short circuit analyses by Western as the interconnecting utility. Even if such analyses are needed for the FSA, there is no basis for demanding separate studies from three different entities.

- With regard to paragraph 4 calling for environmental impact information regarding downstream facilities, the Committee should find that the DEIS/DEIR for the DSTP already provided to Staff is sufficient for production of the FSA;
- With regard to paragraph 5 calling for “Review, Analysis and Conclusions” from the CAISO of the system impact studies of Edison, Western and IID, the Committee should find that no such studies are needed and that therefore no CAISO review of them is needed;¹⁹
- With regard to paragraph 6 regarding final layout plans and facility descriptions, the Applicant has already provided such information to Staff and the Committee should therefore find that this information has been provided;²⁰
- With regard to paragraph 7 regarding the request to interconnect with Western and related information, the Applicant has already provided such information to Staff and the Committee should therefore find that this information has been provided;
- With regard to paragraph 8 regarding the request to terminate the DSTP, the Applicant has already provided such information to Staff and the Committee should therefore find that this information has been provided;
- With regard to paragraph 9 calling for information regarding the CEQA/NEPA review of the DSTP and various other information, the Committee should find that the provision of the DEIS/DEIR for the DSTP is sufficient for production of the FSA and that an appropriate conditions of certification can address concerns regarding the progress of the DSTP.

VI. Proposed Schedule

Based upon the foregoing, the Committee should conclude that Staff has all the information necessary to produce the FSA on transmission system engineering. Alternatively, to the extent the Committee disagrees with Applicant’s position that a transient stability study and a short circuit study are not required for production of the FSA in this case, then the Committee should require production of the transmission system engineering portion of the FSA no later than 30 days following submission of such studies by Western.

¹⁹ The Committee could invite comments from the CAISO on the BART Study, although it should not make the FSA schedule dependent upon receiving such comments given that the Blythe II Project is not interconnecting with the CAISO grid.

²⁰ Indeed, Applicant has provided such information for multiple interconnection options. To the extent Staff’s concern is confusion regarding which option is proposed for licensing, the answer is the interconnection at the Buck Blvd. substation and reliance upon the DSTP as discussed above.

